



## **Ontario Capital Growth Corporation 2022-2025 Business Plan**

Authorization:  
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The Honourable Vic Fedeli  
Minister of Economic Development, Job Creation and Trade

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Date

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## 1.0 Executive Summary

The annual business plan for the Ontario Capital Growth Corporation (“OCGC”) maps out the agency’s strategic direction and upcoming activities for the next three fiscal years.

Management Board of Cabinet (“MBC”) categorizes OCGC as a “board-governed agency”. Board-governed agencies are able to carry on as a business and conduct operations in support of their mandates. Such agencies are also required to submit their annual business plan to their responsible Minister no later than one month before the beginning of the provincial agency’s fiscal year for approval (for OCGC, by March 1). As such, results included in this business plan do not cover the entire 2021-2022 fiscal year<sup>1</sup> and will instead be reported as of the date of submission.

OCGC was established as an agency of the Crown on February 1, 2009 by the *Ontario Capital Growth Corporation Act, 2008* (the “Act”) and is accountable to the Minister of Economic Development, Job Creation and Trade (the “Minister”). OCGC’s mandate is closely aligned with the Province’s focus on economic growth and increased employment in Ontario. Specifically, OCGC:

- Makes investments and manages its interest in venture capital funds and technology companies;
- Provides advice to the Province on venture capital matters; and
- Supports the development of Ontario’s venture capital ecosystem and the implementation of the Province’s venture capital policies.

OCGC has committed \$378 million to Ontario-based/Ontario-focused fund managers and start-up companies, up from \$340 million compared to last year. OCGC’s venture capital initiatives, together with third-party capital, have collectively made available over \$4.5 billion to venture capital fund managers and companies in Canada. Through OCGC’s investments, Ontario portfolio companies currently employ over 9,800 people and have also cumulatively recorded approximately \$10 billion in revenues and \$2.4 billion in R&D expenditures.<sup>2</sup>

Compared to traditional economic development programs (e.g. grants, loans and tax credits), OCGC’s investments in venture capital funds have proven to be an effective tool to create the next generation of high quality, high paying jobs in Ontario, with little to no cost to government. OCGC’s venture capital initiatives are intended to ultimately generate net positive returns to the Province and capture the full economic benefits of such investments (e.g. jobs, tax revenues, etc).

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<sup>1</sup> OCGC’s fiscal 2021-2022 is April 1, 2021 to March 31, 2022.

<sup>2</sup> Revenues and R&D expenditures are reported as of December 31, 2020 have been aggregated across OCGC’s portfolio since inception. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.

Access to venture capital is critical to the success of small Ontario businesses, playing a key role in their development, until such time that they can access additional sources of financing, such as loans and other debt instruments. OCGC also supports Ontario technology companies by assisting in the development of Ontario-based fund managers and investment professionals. This helps to ensure that there is local talent capable of identifying world-class entrepreneurs and technologies, with the necessary experience to guide these companies in scaling up their operations and ultimately to a profitable exit.

A strong venture capital infrastructure and investment climate are needed to build and retain globally competitive companies in Ontario, rather than “seeding” the companies which are later forced to relocate (e.g. to the U.S.) to access larger, more available pools of capital and global markets. High potential, Ontario-based companies require access to capital for all stages of development, as well as top-tier fund managers able to provide expertise in scaling and monetizing technologies.

The development of a long-term, sustainable venture capital industry in Ontario, will in turn help strengthen Ontario’s economy and create job opportunities in key economic sectors of the province. To this end, OCGC provides Ontario’s leading technology entrepreneurs with much needed capital that may otherwise not be available to them, so that they can bring new discoveries to market, and help them to achieve the scale necessary to realize their full economic potential.

With portfolio diversification across a sizable number of funds and companies to mitigate financial risks, OCGC provides a market focussed means to help develop small businesses and to better capture the associated economic benefits over the long term, including the creation of high quality, high paying jobs for the people of Ontario.

Over the next three years, OCGC will continue to deliver on its Venture Ontario Fund I mandate, while also engaging the Ministry and the Government on a possible follow-up to this initiative, so that OCGC can continue to provide much needed access to capital to high-potential, Ontario-based technology companies.

## **2.0 Highlights of Fiscal 2021-22 Results to Date**

Last year’s strategic directions were aligned with the previous agency mandate letter and focused on the following:

- Managing OCGC’s investment portfolio and business operations in a prudent and cost-effective manner, with plans in place for a possible move to using self-generated revenue to cover the agency’s operations in the future;
- Supporting the development of Ontario’s venture capital ecosystem and strategically invest in venture capital funds in a way that implements the Province’s venture capital policies, while maintaining OCGC’s high rate of net positive returns to the Province; and

- Working with the Ministry to finalize revisions to the investment framework to commence evaluation of venture capital investment opportunities that are in alignment with current government priorities, including but not limited to the commercialization and protection of intellectual property in Ontario.

In support of the strategic directions, corporate activities were grouped into two categories: (1) OCGC's business operations and (2) OCGC's investment portfolio.

### **OCGC's Business Operations:**

The agency is substantially meeting all 2021-22 targets related to the objectives set out for OCGC's business operations. These objectives included:

- Ensuring OCGC's business operations are managed efficiently and effectively, including its limited partnership interests in externally-managed funds and the remaining OETF investment portfolio; and
- Ensuring continuity of business services.

The overview of results for specific targets related to objectives for OCGC's business operations can be found in Section 10.

### **OCGC's Investment Portfolio**

OCGC is substantially meeting all 2021-22 targets related to the objectives set out for OCGC's investment portfolio. These objectives included:

- Ensuring the investment portfolio is sufficiently diversified to mitigate financial risks while supporting the Province's venture capital policies;
- Maintain a positive net multiple of capital across OCGC's investment portfolio;
- Track portfolio activity quarterly and report annually on key performance indicators;
  - Respond to all capital calls from externally-managed funds by the required deadline; and
  - Develop key relationships and networks (with VC fund managers, technology companies, institutional investors, VC associations, angel investor associations, and innovation-focused organizations) to gather market intelligence for potential investments and venture capital public policies.

The overview of results for specific targets related to objectives for OCGC's investment portfolio can be found in Section 10.

Below is a summary of results for OCGC's investment portfolio to date and activities related to supporting the development of the venture capital ecosystem.

## **Summary of Results for OCGC's Investment Portfolio<sup>3</sup>**

### Ontario Emerging Technologies Fund ("OETF") Results:

- Investments:
  - Committed a total of approximately \$105 million to 27 Ontario-based companies
- Leverage on investments:
  - Approximately \$3.5 of third-party capital for every \$1 of OETF capital invested

### OETF portfolio companies have cumulatively recorded to date:

- \$1 billion in revenues;
- \$445 million in R&D expenditures; and
- Employ over 600 people.

### Ontario Venture Capital Fund ("OVCF") Results:

- OVCF is fully committed including:
  - 9 commitments to Ontario-based/focused funds; and
  - 7 direct co-investments into Ontario-based companies.
- OVCF has leveraged approximately \$5 in third party capital for every \$1 of OVCF capital invested.
- Capital committed by OVCF, together with third party capital, have collectively provided over \$1 billion to Ontario-based/focused funds and companies.

### OVCF Ontario-based portfolio companies have cumulatively recorded:

- \$4.75 billion in revenues;
- \$931 million in R&D expenditures; and
- Employ over 2,500 people.

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<sup>3</sup> Revenues and R&D expenditures are reported as of December 31, 2020 have been aggregated across OCGC's portfolio since inception.

Northleaf Venture Capital Fund (“NVCF”) Results:

- NVCF is fully committed including:
  - 15 fund commitments; and
  - 12 direct co-investments into Canadian companies.
- NVCF has leveraged \$7.5 in third party capital for every \$1 of NVCF capital invested.
- Capital committed by NVCF, together with third party capital, have collectively provided over \$2 billion to funds and companies with a Canada/Ontario presence.

NVCF Canada-based portfolio companies have cumulatively recorded:

- \$5.5 billion in revenues;
- \$1.4 billion in R&D expenditures; and
- Employ over 8,000 people.

ScaleUp Venture Fund I (“SUVF I”) Results:

- SUVF I is fully committed and has made:
  - 28 direct co-investments including 16 Ontario-based companies totalling approximately \$40 million.
- SUVF I has leveraged approximately \$6.2 in third party capital for every \$1 of SUVF I capital invested in Ontario-based companies.
- Capital committed by SUVF, together with third party capital, have collectively provided approximately \$290 million to Ontario companies.

SUVF I Ontario-based portfolio companies have cumulatively recorded:

- \$213 million in revenues;
- \$68 million in R&D expenditures; and
- Employ over 600 people.

Yaletown Innovation Growth Fund I (“IGF I”) Results:

- IGF I is currently in its active investment period and has made:
  - 3 direct co-investments into Ontario-based companies totalling approximately \$22 million.
- IGF I has leveraged approximately \$2.8 in third party capital for every \$1 of IGF I capital invested in Ontario-based companies.
- Capital committed by IGF I, together with third party capital, have collectively provided approximately \$84 million to Ontario companies.

IGF I Ontario-based portfolio companies have cumulatively recorded:

- \$29 million in revenues;
- \$32 million in R&D expenditures; and
- Employ over 150 people.

Lumira Ventures III LP (“Lumira III) Results:

- Lumira III is fully committed with reserves held for follow-on financing and has made:
  - 5 direct co-investments into Ontario-based companies totalling approximately \$22.7 million.
- Lumira III has leveraged approximately \$17 in third party capital for every \$1 of Lumira capital invested in Ontario-based companies.
- Capital committed by Lumira III, together with third party capital, have collectively provided approximately \$425 million to Ontario companies.

Lumira III Ontario-based portfolio companies have cumulatively recorded:

- \$175 million in revenues;
- \$23 million in R&D expenditures; and
- Employ approximately 150 people.



Genesys Ventures III LP (“Genesys III”) Results:

- Genesys III is currently in its active investment period and has made:
  - 6 direct co-investments into Ontario-based companies totalling approximately \$34 million.
- Genesys III has leveraged approximately \$21 in third party capital for every \$1 of Genesys III capital invested in Ontario-based companies.
- Capital committed by Genesys III, together with third party capital, have collectively provided approximately \$780 million to Ontario companies.

Genesys III Ontario-based portfolio companies have cumulatively recorded:

- \$32 million in revenues;
- \$107 million in R&D expenditures; and
- Employ over 200 people.

Amplitude Ventures I LP (“Amplitude I”) Results:

- Amplitude I is currently in its active investment period and has made:
  - 3 direct co-investments into Ontario-based companies totalling approximately \$25 million.
- Amplitude I has leveraged approximately \$15.2 in third party capital for every \$1 of Amplitude I capital invested in Ontario-based companies.
- Capital committed by Amplitude I, together with third party capital, have collectively provided approximately \$417 million to Ontario companies.

Amplitude I Ontario-based portfolio companies have cumulatively recorded:

- \$6.3 million in revenues;
- \$7.3 million in R&D expenditures; and
- Employ over 50 people.

Recent OCGC investments, which include Yaletown Innovation Growth Fund II, Lumira Ventures IV and Whitecap Venture Partners V, are actively investing but do not have sufficient activity at this time to aggregate results and preserve confidentiality. These results are expected to be included in the next reporting cycle.

## **Summary of Results Related to Activities Supporting the Development of Ontario's Venture Capital Ecosystem**

One of OCGC's ongoing key objects in its enabling legislation and last year's strategic directions was to support the development of Ontario's venture capital ecosystem, as well as the implementation of the Province's venture capital policies. Activities to support these efforts involve the development of key relationships and networks to gather market intelligence for potential investments and venture capital public policies.

Owing to the pandemic, a number of events were cancelled and conferences were held virtually throughout fiscal 2021-22. OCGC proactively held discussions with venture capital funds, investors, technology industry thought leaders and subject matter experts to gather critical market intelligence that will help shape appropriate venture capital public policies in the coming years. OCGC also continued to provide advice to the Ministry and the Province on venture capital matters as required.

For the remaining fiscal year, OCGC is taking an active role in industry events, such as speaking at the Canadian Innovation Exchange (CIX) and the Mississauga Entrepreneurship and Innovation Program. OCGC expects to attend a total of about 25 venture capital events this fiscal year.

Such events are essential to building and maintaining strong relationships with other investors, thought leaders, and subject matter experts, who interact with the sector and companies at various stages of their lifecycle. The stronger these relationships are, the more effectively OCGC can access market intelligence with respect to funds that are currently or expected to fundraise, as well as insight to help identify potential stage or sector gaps faced by Ontario-based technology companies. With experience in both direct investments into companies and investments into venture capital funds, OCGC shares its feedback, perspectives and observations through proactive outreach to venture capital fund managers, as well as new and established Ontario-based companies. This outreach includes "Ask the Investor" sessions at industry conferences and responding to direct inquiries to OCGC or via the Ministry. By providing feedback in areas such as fundraising, investment thesis, and other relevant matters, OCGC can help fund managers to further define and advance their value proposition. OCGC plans to continue its strategic engagement with stakeholders over the next three years.

### 3.0 Mandate and Governing Legislation

The Ontario Capital Growth Corporation (“OCGC” or the “Corporation”) was established by the *Ontario Capital Growth Corporation Act, 2008* (the “Act”) and performs the following activities:

- (a) Receive, hold, administer and otherwise deals with the interest of the Government of Ontario in the limited partnership known as the Ontario Venture Capital Fund LP;
- (b) Acquire, manage and otherwise deal with the other investments or classes of investments that are prescribed by the regulations;
- (c) Carry out the other objects that are prescribed by the regulations; and
- (d) Receive, hold, invest, sell or otherwise deal with property, whether real or personal, in connection with the objects described in clause (a), (b), or (c).

The Act provides that the Minister may issue policies or directives in writing to OCGC on matters relating to the exercise of its powers or duties, and the OCGC Board of Directors (the “Board”) shall ensure that such policies and directives are implemented in a timely manner.

Ontario Regulation 278/09 made under the Act (the “Regulation”) prescribes additional duties with respect to investments, which authorizes OCGC to make:

1. Investments in venture capital funds that invest in,
  - i. for-profit businesses, if the venture capital fund’s investments include investments in private businesses, or
  - ii. other venture capital funds that invest in for-profit businesses if the other venture capital fund’s investment includes investments in private businesses.
2. Investments in for-profit businesses that are,
  - i. private businesses<sup>4</sup>, or
  - ii. public businesses<sup>5</sup>, if the Corporation,
    - A. invested in the business when it was a private business, or
    - B. has an investment in a venture capital fund described in paragraph 1 that made a direct or indirect investment in the business when it was a private business.
3. Investments in businesses that the Corporation considers to be emerging technology businesses, which portfolio shall be known in English as the Ontario Emerging Technologies Fund and in French as Fonds ontarien de développement des technologies émergentes.

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<sup>4</sup> In the regulation, “private business” means a business that is not a public business;

<sup>5</sup> In the regulation, “public business” means a business that lists its securities on a stock exchange.

Under the Regulation, OCGC can also perform other activities to help further develop the Ontario venture capital ecosystem as follows:

- (a) Develop or participate in conferences or other events regarding venture capital matters;
- (b) Collect, analyze or distribute information regarding venture capital matters;
- (c) Provide advice to the Government of Ontario on venture capital matters; and
- (d) Undertake other activities that are similar or related to the objects described in the bullets above.

The Act, together with OCGC's corporate by-laws and the Memorandum of Understanding (MOU) between the Minister and Chair of the Board, describe in general terms the way OCGC is to be operated and managed.

OCGC is required to provide its annual report to the Minister within 120 days after fiscal year end. The annual report is tabled in the Legislature. The financial statements are consolidated with the Public Accounts of Ontario.

#### 4.0 Overview of Current and Future Initiatives

##### 4.1 Current Initiatives

OCGC is responsible for managing its OETF investment portfolio and its limited partnership interests in externally-managed funds.

##### (a) Ontario Emerging Technologies Fund ("OETF")

Fund Manager:	Ontario Capital Growth Corporation
Vintage Year:	2009
Current Status:	Fully committed
Fund Structure:	Direct investment into companies
Investment Sector:	Clean technology, life sciences and advanced health technologies, digital media and information and communications technology sectors
OCGC Investment Commitment:	\$105 million

**(b) Ontario Venture Capital Fund LP (“OVCF”)**

Fund Manager:	Northleaf Capital Partners Ltd.
Vintage Year:	2008
Current Status:	Fully committed
Fund Structure:	Fund-of-funds <sup>6</sup>
Investment Sector:	Generalist
Total Fund Size:	\$205 million
OCGC Investment Commitment:	\$90 million

**(c) Northleaf Venture Catalyst Fund LP (“NVCF”)**

Fund Manager:	Northleaf Capital Partners Ltd.
Vintage Year:	2014
Current Status:	Fully committed
Fund Structure:	Fund-of-funds <sup>7</sup>
Investment Sector:	Generalist
Total Fund Size:	\$300 million
OCGC Investment Commitment:	\$50 million

**(d) ScaleUP Venture Fund I LP (“SUVF I”)**

Fund Manager:	ScaleUP Venture Partners, Inc
Vintage Year:	2016
Current Status:	Fully committed
Fund Structure:	Direct investments into companies
Investment Sector:	ICT
Total Fund Size:	\$106 million
OCGC Investment Commitment: <sup>8</sup>	\$25 million

**(e) Yaletown Innovation Growth I LP (“IGF I”)**

Fund Manager:	Yaletown Partners Inc.
Vintage Year:	2017
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	ICT/cleantech
Total Fund Size:	\$128 million
OCGC Investment Commitment:	\$20 million

<sup>6</sup> OVCF primarily invests in other VC funds, with discretionary direct co-investments into Ontario-based companies

<sup>7</sup> NVCF primarily invests in other VC funds, with discretionary direct co-investments into Ontario/Canada-based companies

<sup>8</sup> As directed by the Ministry in January 2017

**(f) Lumira Ventures III LP (“Lumira III”)**

Fund Manager:	Lumira Capital Investment Management Inc.
Vintage Year:	2017
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	Life Sciences
Total Fund Size:	\$179 million
OCGC Investment Commitment:	\$23 million

**(g) Genesys Ventures III LP (“Genesys III”)**

Fund Manager:	Genesys Capital Management (Fund III) Inc.
Vintage Year:	2016
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	Life Sciences
Total Fund Size:	\$107 million
OCGC Investment Commitment:	\$17 million

**(h) Amplitude Ventures I LP (“Amplitude I”)**

Fund Manager:	Amplitude Venture
Vintage Year:	2019
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	Life Sciences
Total Fund Size:	\$200+ million
OCGC Investment Commitment:	\$10 million

**(i) Yaletown Innovation Growth II LP (“IGF II”)**

Fund Manager:	Yaletown Partners Inc.
Vintage Year:	2021
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	ICT/cleantech
Total Fund Size:	\$130 million
OCGC Investment Commitment:	\$13 million

**(j) Lumira Ventures IV LP (“Lumira IV”)**

Fund Manager:	Lumira Capital Investment Management Inc.
Vintage Year:	2021
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	Life Sciences
Total Fund Size:	\$220 million USD
OCGC Investment Commitment:	\$15 million USD

**(k) Whitecap Venture Partners V LP (“Whitecap V”)**

Fund Manager:	Whitecap Management V Inc.
Vintage Year:	2021
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	Generalist
Total Fund Size:	\$140 million
OCGC Investment Commitment:	\$10 million

**4.2 Future Initiatives**

In addition to continued investments under the Venture Ontario Fund I over the next three years, OCGC will implement new initiatives as approved by the Province in a cost-effective and efficient manner. As capital is returned from current investments, OCGC will work with the Ministry to develop and implement economic development policies that support Ontario technology companies, which may include, but are not limited to:

- Identifying sectors and stage of growth in the Ontario venture capital market through research, networks and market intelligence; and
- Deploying capital in those areas through strategic investments in fund managers targeting such sectors and stage of growth through a follow-up fund to Venture Ontario Fund I.

The agency will also continue to focus on helping to develop a long term, sustainable venture capital industry in Ontario to create an environment where technology companies can thrive, which in turn will help grow Ontario’s economy and create job opportunities in key economic sectors of the province. As part of this effort, OCGC will assist the Ministry as required to review better ways to measure the impact of government investment on the venture capital ecosystem.

## 5.0 Environmental Scan: Assessment of Issues Facing OCGC

### 5.1 External Factors

Ontario experienced an unprecedented increase of venture capital investment in 2021. A total of \$8.5B<sup>9</sup> was invested in the province, nearly tripling the last year's total of \$3.1B which was the highest single year total on record at the time. 2021 punctuates what has largely been a consistent year over year increase in annual investment totals since the 2008-2009 financial crisis.

In addition to the amount of capital invested, there was a noteworthy increase in the average equity invested per deal, an area where Ontario has significantly lagged values achieved in the U.S. At an average of nearly \$29 million, companies saw a 2.5x increase in the average deal size from the previous year and 4x the average annual deal size of the previous decade.

Ontario ranked 4<sup>th</sup> amongst North American jurisdictions for total venture investment (up from 10<sup>th</sup> in 2020) and also 5<sup>th</sup> in total number of deals (a slight drop from 4<sup>th</sup> place the year prior). The record setting year places Ontario comfortably ahead of Texas which has typically edged out Ontario, but well shy of the perennial leaders and established global hubs of California, New York and Massachusetts.

Sectoral shares of the record setting investment totals remain largely unchanged from 2020 and prior years, with internet technology companies receiving the bulk of capital, life science companies the second largest but proportionately small total and cleantech companies coming in at a distant third place. Internet technology companies received 81% (\$6.8 billion) up from 70%, life science companies a relatively flat 10% (\$846 million) vs 8% and cleantech 4% (\$374 million) down from 12% when compared to 2020's annual splits. Despite year-over-year fluctuation, all sectors achieved record setting single year investment.

Despite the more than doubling of invested capital, early and later stages of investment received roughly the same historic average percentage of the available capital. In 2021, approximately one third of capital was directed to companies categorized as early or seed stage and the remaining two thirds directed to later and expansion stage companies.

Source of investment capital in 2021 was primarily Canadian and U.S. based investment funds, with 47% and 46% of total disclosed investment attribution respectively. With \$3.6 billion received in investments from U.S. fund managers, it is clear that Canadian companies are very much in focus as investment targets. Often with deeper pockets, a favourable exchange rate and extensive networks in and out of Silicon Valley, U.S. investors can represent valuable partners to emerging businesses. Even with record domestic investment levels, matching

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<sup>9</sup> All statistics, figures and data refer to calendar year and are sourced from Refinitiv unless otherwise noted.



funds coming for the U.S. indicate a market rich with opportunity. However, a strong local venture capital infrastructure and investment climate continue to be needed, particularly for late stage investments, in order to build globally competitive companies in Ontario – not “seeding” the companies and having them relocate and grow elsewhere over time (e.g. the U.S.)

### **Economic Outlook**

According to TD reports<sup>10</sup>, the global economy is slowly bouncing back. In Canada, the economic recovery is still very much underway, with the federal government extending a number of COVID-19 response programs that are expected to eventually wind down in 2022. The budget deficit as a percent of GDP is projected to decline from 16.1% in fiscal year 2020 to 6.4% in 2021 and 2.3% in 2022. Less federal government money in the economy may pose a drag on economic growth, but the exact impact is highly uncertain. Households and businesses saved much of the support payments over the last year and a half and these additional savings will continue to fuel the recovery in private spending. Households and businesses are also likely to direct more of their employment income towards consumption and investment channels as the economy opens further. It is expected that the Canadian economy will continue to grow at a solid clip in 2022, with potential rising interest rates to combat increasing inflationary pressures.

In spite of the risk that the pandemic could slow the recovery, the U.S. Federal Reserve and the Bank of Canada have maintained an optimistic view of the economic outlook. The expectation remains that the economies of the U.S. and Canada will be fully recovered by the second half of 2022 – i.e. an elimination of both economic and labor market slack.

The slow economic recovery may affect the valuation of the portfolio investments in the short-term due to the potential significant economic effects on companies; however, OCGC’s investment portfolio is expected to continue building value going forward given that the technology sector, in which most venture capital is invested, has remained more resilient than other sectors through the pandemic and slow recovery. OCGC will keep monitoring market risks and further impact of the pandemic on its investments and adjust its investment strategies accordingly to help ensure the domestic resiliency of high potential, Ontario-based companies.

With a business continuity plan in place, including potential business interruption risks brought on by the pandemic, OCGC will adapt as circumstances evolve and is confident in its ability to carry on with general operations while minimizing disruptions.

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<sup>10</sup> TD reports include Canadian Quarterly Economic Forecast (September 21, 2021); Provincial Economic Forecast (September 22, 2021); and Q&A to economic/financial issues (September 7, 2021).

## 5.2 Internal Factors

As an agency of the Ontario government, OCGC is required to report on its activities, operations and results, which can be impacted by changes in government directions and policies. OCGC will continue to meet its business objectives while adhering to applicable government-wide directives and reporting requirements.

## 6.0 2022-25 Strategic Directions

OCGC's new agency mandate letter, which was received on October 1, 2021 identified several government-wide priorities for all agencies<sup>11</sup>, as well as specific priorities for OCGC.

Accordingly, OCGC's 2022-2025 strategic directions have been developed in alignment with priorities listed in the new agency mandate letter and corporate activities will focus on the following strategic directions:

- Managing OCGC's investment portfolio and business operations in a prudent and cost-effective manner using self-generated revenue to cover the agency's operations;
- Supporting the development of Ontario's venture capital ecosystem and strategically investing in venture capital funds, while maintaining OCGC's high rate of net positive returns to the Province; and
- Ensuring that Venture Ontario Fund I investments are consistent with the Investment Framework, and review the Investment Framework with the Minister during the 2022-23 fiscal year, to ensure investments continue to be aligned with current government priorities, including but not limited to the commercialization/retention of intellectual property in Ontario and support for growth oriented venture funds critical to Ontario firms reaching international prominence.

In support of the strategic directions, corporate activities have been grouped into two categories: (1) OCGC's business operations and (2) OCGC's investment portfolio. Performance measures and targets have been set accordingly and are outlined in the table below:

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<sup>11</sup> As agencies are expected to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers, government-wide priorities include (1) competitiveness, sustainability and expenditure management; (2) transparency and accountability; (3) risk management; (4) workforce management; (5) data collection; (6) digital delivery and customer services; (7) diversity and inclusion; and (8) covid-19 recovery.

**OCGC's Business Operations**

<b>Objective</b>	<b>Performance Measure</b>	<b>New Targets</b>
<ul style="list-style-type: none"> <li>Ensure OCGC's business operations are managed efficiently and effectively, including its limited partnership interests in externally-managed funds and the remaining OETF direct co-investments.</li> </ul>	<ul style="list-style-type: none"> <li>OCGC's adjusted operating expenses (net of any reimbursements received and impairment charges) as a percentage of committed capital to investment funds.</li> <li>Legislative requirements met.</li> <li>Compliance attestation submitted to the Ministry annually to confirm that OCGC is in substantial compliance with all applicable government directives and policies.</li> </ul>	<ul style="list-style-type: none"> <li>Given the launch of the Venture Ontario Fund I initiative, the number of investment commitments are expected to increase significantly over the next few years, adjusted operating expenses as a percentage of committed capital to be no more than 0.575%, which is at the mid-point of 0.40%-0.75% in management fees typically charged by fund-of-funds.</li> <li>Annual business plan and annual report submitted on March 1 and within 120 days after its fiscal year end respectively.</li> <li>Compliance attestation submitted to the Ministry by prescribed deadline.</li> </ul>
<ul style="list-style-type: none"> <li>Ensure continuity of business services.</li> </ul>	<ul style="list-style-type: none"> <li>% of employee turnover.</li> <li>Internal procedures manual is revised and updated annually.</li> <li>Business continuity plan is provided to the Ministry annually.</li> <li>Detailed risk assessment chart is provided to the Ministry twice a year.</li> </ul>	<ul style="list-style-type: none"> <li>No more than 15% employee turnover annually.</li> <li>Annual update of internal procedures manual completed.</li> <li>Annual update of business continuity plan completed.</li> <li>Semi-annual updates of risk assessment (in March and September) completed.</li> </ul>

**OCGC's Investment Portfolio**

<b>Objective</b>	<b>Performance Measure</b>	<b>New Targets</b>
<ul style="list-style-type: none"> <li>Ensure investment portfolio is sufficiently diversified to mitigate financial risks while supporting the Province's venture capital policies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of new strategic fund investments made in alignment with the Province's venture capital policies and the Investment Framework.</li> <li>Investment Framework reviewed with Minister annually.</li> </ul>	<ul style="list-style-type: none"> <li>A minimum of 3 new fund commitments per fiscal year made across 2-3 target sectors as identified in the Investment Framework, with the number of new fund commitments in future years to be dependent on available remaining capital and the level of fundraising activity in the market.</li> <li>Completed review of Investment Framework with Minister.</li> </ul>
<ul style="list-style-type: none"> <li>Maintain a positive net multiple of capital across OCGC's investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Aggregate net multiple of capital for OCGC investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain net multiple of capital of at least 1.20x.</li> </ul>
<ul style="list-style-type: none"> <li>Track portfolio activity quarterly and report annually on key performance indicators.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain key performance indicators and other relevant metrics from the fund managers on a quarterly or annual basis subject to each investments respective partnership agreement; review and ensure adherence to limited partnership agreements; and gather market intelligence with respect to fund commitments/ investments.</li> </ul>	<ul style="list-style-type: none"> <li>On a quarterly basis, portfolio summaries including activity and financial summaries are received. Annually, key performance indicators are included with the quarterly portfolio summaries from each fund manager.</li> </ul>
<ul style="list-style-type: none"> <li>Respond to all capital calls from externally-managed funds by the required deadline.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of capital calls met by the required deadline.</li> </ul>	<ul style="list-style-type: none"> <li>100% of capital calls met by the deadline specified by the fund manager.</li> </ul>

Objective	Performance Measure	New Targets
<ul style="list-style-type: none"> <li>Develop key relationships and networks (with VC fund managers, technology companies, institutional investors, VC associations, angel investor associations, and innovation-focused organizations) to gather market intelligence for potential investments and venture capital public policies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of meetings with potential investors, fund managers, and other venture capital stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Engaging with a minimum of 12 fund managers per year that are actively fundraising and seeking an investment commitment from OCGC.</li> <li>Hold a minimum 50 meetings per year with other key relationships and networks</li> </ul>

## 7.0 Overview of Corporate Risk Assessment and Management

<b>Risk Factor</b>	<b>Description</b>	<b>Likelihood of Occurrence</b>	<b>Impact if Risk Realized</b>	<b>Mitigation Strategy</b>
Human Resources Risk	Risk that OCGC does not have sufficient staff resources or loses key senior staff to deliver on its mandate.	High	High	Review organizational needs on an annual basis and work with the Ministry to take corrective action as needed.
Financial Risk	Potential weakness in capital markets could make it more difficult to recoup OCGC investments through exits.	Medium	High	OCGC monitors the performance of its investment portfolio by reviewing the OETF semi-annual valuation reports from its external service provider and the quarterly reports provided by the fund managers. Any potentially adverse situation with respect to the portfolio is reviewed and a course of action is developed to best remediate such situation.
Operational Risk	Business continuity risk in the event of disasters or other events.	Medium	Medium	OCGC's business continuity plan is reviewed, updated and approved annually to ensure the agency is prepared for disruption to standard working conditions. Systems, procedures and controls are in place and key staff are adequately prepared to ensure continuity of operations.
Strategic Risk (Policy Changes)	Changes made by the Province to current venture capital policies could result in additional changes to responsibilities for OCGC.	Medium	High	Monitor, assess, and respond to policy development matters in support of the Province's venture capital policies and plans. Provide technical analysis and advice to support the policy process.

## 8.0 Human Resources

OCGC's full-time equivalents ("FTEs") are included as part of the Ministry's overall FTE count. The Ministry's cost of eight (8) OCGC positions and associated overhead are fully recoverable from OCGC. Only one (1) of these positions is excluded from collective bargaining. Employees are compensated in accordance with Part III of the *Public Service of Ontario Act, 2006* (Ontario) and employees earning more than \$100,000 annually are subject to the *Public Sector Salary Disclosure Act, 1996* (Ontario).

OCGC's staffing levels are lean compared to public sector bodies with similar economic development mandates, such as BDC and Investissement Québec. Given the lean staffing model and to ensure prudent operations, OCGC is also supported by a limited number of external service providers having specialized knowledge in fund evaluation, direct co-investments and fund investments, as well as audit and accounting services. If the agency is approved by the Government to deliver additional initiatives, OCGC would seek approval for additional resources as appropriate.

OCGC works with the Ministry's Strategic Human Resources Business Unit to implement and maintain the Province's human resources strategies, policies, and practices.

## 9.0 Communication Plan

As set out in the Memorandum of Understanding between the Minister and Chair of the Board (the "MOU"), OCGC works closely with the Ministry when news releases or announcements are scheduled to be released to the public, including industry stakeholders, in accordance with the MOU's public communications protocol. Under the MOU, the Deputy Minister of the Ministry of Economic Development, Job Creation and Trade (the "Ministry") is responsible for ensuring that the Ministry provides communications services to OCGC, including, but not limited to, drafting of news releases related to OCGC's venture capital initiatives and subject to approval by both the Ministry and OCGC. As previously directed, OCGC will continue to work with selected fund managers and the Ministry to publicly announce investment commitments made under the Venture Ontario Fund I.

Updates related to OCGC can be found on its website, [www.ocgc.gov.on.ca](http://www.ocgc.gov.on.ca). The site includes OCGC's annual business plan, annual report and relevant portfolio related information including new investments and successful exits. OCGC's annual financial statements are also available in Volume 2 of the Public Accounts of Ontario.

Updates on the externally-managed funds can be found at the following websites.

<b>Externally-Managed Funds</b>	<b>Website</b>
OVCF	<a href="http://www.ovcf.com">www.ovcf.com</a>
NVCF	<a href="http://www.northleafcapital.com">www.northleafcapital.com</a>
SUVF I	<a href="http://www.suv.vc">www.suv.vc</a>
Yaletown IGF I and IGF II	<a href="http://www.yaletown.com">www.yaletown.com</a>
Lumira III and Lumira IV	<a href="http://www.lumiraventures.com">www.lumiraventures.com</a>
Genesys III	<a href="http://www.genesyscapital.com">www.genesyscapital.com</a>
Amplitude I	<a href="https://amplitudevc.com/en">https://amplitudevc.com/en</a>
Whitecap V	<a href="https://whitecapvp.com/">https://whitecapvp.com/</a>

OCGC responds to inquiries from the public regarding its mandate and responsibilities as required, in a timely manner and in accessible formats as requested.



## 10.0 Overview of 2021-22 Results

In last year's mandate letter, the government included a number of general priorities for all agencies to help ensure that agencies act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers. Accordingly, OCGC conducted its operations in alignment with these priorities, including:

1. Competitiveness, sustainability and expenditure management
  - Operating within the agency's allocations.
  - Identifying and pursuing opportunities to improve program sustainability.
  - Identifying and pursuing efficiencies and savings.
  - Complying with applicable direction related to Realty Interim Measures and Agency Office Location Criteria.
2. Transparency and accountability
  - Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
  - Adhering to requirements of the *Agencies and Appointment Directive*, and responding to audit findings, where applicable.
  - Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.
3. Risk management
  - Developing and implementing an effective process for the identification, assessment and mitigation of risks, including planning for and responding to emergency situations such as COVID-19.
4. Workforce management
  - Optimizing the agency's workforce to enable efficient and effective fulfilment of government priorities.
5. Data collection
  - Improving how the agency uses data in decision-making, information sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery
  - Supporting transparency and data sharing with the Ministry, as appropriate.
6. Digital delivery and customer services.
  - Using a variety of approaches or tools to ensure service delivery in all situations, including COVID-19.

As of the date of this report, OCGC is substantially on track to meet its fiscal 2021-22 targets (i.e. from April 1, 2021 to March 31, 2022):

### OCGC's Business Operations

Objective	Performance Measure	Previous Targets	Results
<ul style="list-style-type: none"> <li>Ensure OCGC's business operations are managed efficiently and effectively, including its limited partnership interests in externally-managed funds and the remaining OETF investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>OCGC operating expenses<sup>12</sup> as a percentage of committed capital</li> <li>Legislative requirements met.</li> <li>Compliance attestation submitted to the Ministry annually to confirm that OCGC is in substantial compliance with all applicable government directives and policies.</li> </ul>	<ul style="list-style-type: none"> <li>Operating expenses as a percentage of committed capital is no more than 0.25%, which is significantly below management fees charged by fund-of-funds managers of typically between 0.4%-0.75%.</li> <li>Annual business plan and annual report submitted on March 1 and within 120 days after its fiscal year end respectively.</li> <li>Compliance attestation submitted to the Ministry by prescribed deadline.</li> </ul>	<ul style="list-style-type: none"> <li>Operating expenses were below \$1.3 million for the year ended March 31, 2021, which is below operating expenses of the prior year and below the 0.4% - 0.75% fees typically charged by fund-of funds.</li> <li>Annual business plan and annual report submitted by the required deadline.</li> <li>Compliance attestation submitted to the Ministry by the required deadline.</li> </ul>

<sup>12</sup> Operating expenses are net of any reimbursements received and non-cash impairment charges.

Objective	Performance Measure	Previous Targets	Results
<ul style="list-style-type: none"> <li>Ensure continuity of business services.</li> </ul>	<ul style="list-style-type: none"> <li>% of employee turnover.</li> <li>Internal procedures manual is revised and updated annually.</li> <li>Business continuity plan is provided to the Ministry annually.</li> <li>Detailed risk assessment chart is provided to the Ministry twice a year.</li> </ul>	<ul style="list-style-type: none"> <li>No more than 15% employee turnover annually.</li> <li>Annual update of internal procedures manual completed.</li> <li>Annual update of business continuity plan completed.</li> <li>Semi-annual updates of risk assessment (in March and September) completed.</li> </ul>	<ul style="list-style-type: none"> <li>One staff member took a secondment during the fiscal year, representing a 12.5% annual employee turnover.</li> <li>Annual update of internal procedures manual completed.</li> <li>Annual update of business continuity plan completed.</li> <li>Semi-annual risk assessments completed and tabled with the Audit &amp; Risk Committee.</li> </ul>

### OCGC's Investment Portfolio

Objective	Performance Measure	Previous Targets	Results
<ul style="list-style-type: none"> <li>Ensure investment portfolio is sufficiently diversified to mitigate financial risks while supporting the Province's venture capital policies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of new strategic fund investments made in alignment with the Province's venture capital policies and the Investment Framework.</li> </ul>	<ul style="list-style-type: none"> <li>Starting in 2021-2022 with a minimum of 3 new fund commitments made across 2-3 target sectors as identified in the Investment Framework, with the number of new fund commitments in future years to be dependent on available remaining capital.</li> </ul>	<ul style="list-style-type: none"> <li>3 new fund commitments were formally made as of the date of this report made in alignment with the investment framework.</li> </ul>

Objective	Performance Measure	Previous Targets	Results
<ul style="list-style-type: none"> <li>Maintain a positive net multiple of capital across OCGC's investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Aggregate net multiple of capital for OCGC investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain net multiple of capital of at least 1.20x.</li> </ul>	<ul style="list-style-type: none"> <li>Net multiple of capital of 1.40x as at March 31, 2021.<sup>13</sup></li> </ul>
<ul style="list-style-type: none"> <li>Track portfolio activity quarterly and report annually on key performance indicators.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain key performance indicators and other relevant metrics from the fund managers on a quarterly or annual basis subject to each investments respective partnership agreement; review and ensure adherence to limited partnership agreements; and gather market intelligence with respect to fund commitments/ investments.</li> </ul>	<ul style="list-style-type: none"> <li>On a quarterly basis, portfolio summaries including activity and financial summaries are received. Annually, key performance indicators are included with the quarterly portfolio summaries from each fund manager.</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio summaries and annual key performance indicators received from each fund manager.</li> </ul>
<ul style="list-style-type: none"> <li>Respond to all capital calls from externally-managed funds by the required deadline.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of capital calls met by the required deadline.</li> </ul>	<ul style="list-style-type: none"> <li>100% of capital calls met by the deadline specified by the fund manager.</li> </ul>	<ul style="list-style-type: none"> <li>All capital calls met by the required deadline.</li> </ul>

<sup>13</sup> Multiple of capital represents the return to the Corporation before OCGC's expenses

Objective	Performance Measure	Previous Targets	Results
<ul style="list-style-type: none"> <li>Develop key relationships and networks (with VC fund managers, technology companies, institutional investors, VC associations, angel investor associations, and innovation-focused organizations) to gather market intelligence for potential investments and venture capital public policies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of meetings with potential investors, fund managers, and other venture capital stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Engaging with a minimum of 12 fund managers per year that are actively fundraising and seeking an investment commitment from OCGC.</li> <li>Hold a minimum 50 meetings per year with other key relationships and networks</li> </ul>	<ul style="list-style-type: none"> <li>Engaged with 30 active fund managers</li> <li>Minimum target of 50 meetings with other key relationships and networks was achieved.</li> </ul>

To receive any section of this report, or the report in its entirety, in a more accessible, alternative format, please contact [ocgc@ontario.ca](mailto:ocgc@ontario.ca).

## Appendix A: Financials

### Proposed Operating Expenditures, Projected Revenues & Funding Requirements

OCGC is a Board-governed provincial agency. It has a legislated requirement to issue audited financial statements for the fiscal year, which are approved by its Board of Directors and to formally submit these to the Minister within 120 days after the end of every fiscal year. The financial statements summarize OCGC's revenue and expenditures and are tabled in the Legislature once approved by the Minister. The statements are also included in the Public Accounts of Ontario. OCGC's financial results are consolidated with those of the Province for Public Accounts and Budget purposes.

OCGC's annual business plan sets out the operating expenditures and revenues of the OCGC in the past fiscal year with a forecast over the next three fiscal periods, as well as the corresponding projection for the Statements of Financial Position<sup>14</sup>.

**Note:** For the Statement of Operations & Changes in Accumulated Operating Surplus, no speculations are taken with respect to investment income in funds, gains/(losses) in funds, impairment in funds or foreign exchange gains/(losses) subsequent to the year ending March 31, 2022. The values of these financial assets are held constant only for budgeting purposes.

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<sup>14</sup> These statements are consistent with Public Sector Accounting Standards.

Table 1:

<b>Statements of Operating Expenditures</b>	Actual results for the initial 6 months of fiscal 2021-22	Forecast for 12 months of fiscal 2021-22	Forecast for the fiscal years ending March 31st		
			2022-23	2023-24	2024-25
All figures are unaudited (\$,000)					
<b>Shared operating costs with the Ministry:</b>					
Salaries & wages	396	644	833	866	901
Benefits	47	100	135	146	152
Transportation & communications	2	4	5	5	5
Services	41	52	55	58	61
Accommodations	-	102	107	112	118
Supplies & equipment	1	2	2	2	2
<b>Total reimbursements to the Ministry</b>	<b>487</b>	<b>904</b>	<b>1,137</b>	<b>1,189</b>	<b>1,239</b>
<b>Other direct operating expenses:</b>					
Cash management fees	15	32	64	52	80
Professional services fees <sup>15</sup>	152	569	715	536	562
Board and committee member expenses	2	6	6	7	7
<b>Total ODOE</b>	<b>169</b>	<b>607</b>	<b>785</b>	<b>595</b>	<b>649</b>
<b>Total direct operating expenses</b>	<b>656</b>	<b>1,511</b>	<b>1,922</b>	<b>1,784</b>	<b>1,888</b>

<sup>15</sup> Professional services fees includes external service providers having specialized investment knowledge in fund evaluation, direct co-investment and fund-of-fund investments, as well as audit, bookkeeping and legal services.

Table 2:

<b>Statements of Operations &amp; Changes in Accumulated Operating Surplus</b>	Actual results for the initial 6 months of fiscal	Forecast for 12 months of fiscal	Forecast for the fiscal years ending March 31st		
			2022-23	2023-24	2024-25
All figures are unaudited (\$,000)	2021-22	2021-22	2022-23	2023-24	2024-25
<b>Revenues:</b>					
Funding & transfer payments <sup>16</sup>	-	-	-	-	-
EOI expense recovery	16	39	-	-	-
Interest income	208	418	425	350	275
Investment income in funds	157	340	n/a	n/a	n/a
Net realized gains/(losses) on sale of investments in funds	15,336	14,577	n/a	n/a	n/a
Foreign currency exchange gains/(losses)	410	(134)	n/a	n/a	n/a
	16,127	15,240	425	350	275
<b>Expenditures:</b>					
Reimbursement to the Ministry	487	904	1,137	1,189	1,239
Cash management fees	15	32	64	52	80
Professional services fees	152	569	715	536	562
Board & Committee fees	2	6	6	7	7
Impairment of investments in funds – OETF	-	-	n/a	n/a	n/a
	656	1,511	1,922	1,784	1,888
Operating surplus for the period	15,471	13,729	(1,497)	(1,434)	(1,613)
Accumulated operating surplus - beginning	434,536	434,536	448,265	446,768	445,334
<b>Accumulated operating surplus - ending</b>	<b>450,007</b>	<b>448,265</b>	<b>446,768</b>	<b>445,334</b>	<b>443,721</b>

<sup>16</sup> Projections based on discussions with the Ministry



Table 3:

<b>Statements of Financial Position</b>	Actual results for the initial 6 months of fiscal 2021-22	Forecast for 12 months of fiscal 2021-22	Forecast for the fiscal years ending March 31st		
			2022-23	2023-24	2024-25
All figures are unaudited (\$,000)					
<b>Financial assets:</b>					
Cash and cash equivalents	30,274	27,920	25,998	24,214	22,326
Marketable securities	237,163	271,345	242,456	188,907	142,552
Accounts receivable	3	2	2	2	2
Ontario Emerging Technologies Fund	19,327	19,327	19,327	19,327	19,327
Investments in limited partnerships	164,358	130,371	159,685	213,584	260,214
	451,125	448,965	447,468	446,034	444,421
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	580	200	200	200	200
Accumulated surplus	450,545	448,765	447,268	445,834	444,221
<b>Accumulated surplus is comprised of:</b>					
Accumulated operating surplus	450,007	448,265	446,768	445,334	443,721
Accumulated remeasurement gains/(losses)	538	500	500	500	500
	450,545	448,765	447,268	445,834	444,221

## **Appendix B: Corporate Governance**

### **Minister**

Each year, the Minister of Economic Development, Job Creation and Trade (the “Minister”) is required to table OCGC’s annual report in the Legislature. In addition, the Minister reviews and approves OCGC’s annual business plan. The Minister also maintains communications with OCGC through its Chair, regarding government policies and issues relevant to OCGC.

### **Chair**

The Chair is accountable to the Minister for OCGC’s performance in fulfilling its mandate. The Chair is responsible for providing advice and information to the Minister with regard to OCGC’s operations and affairs. In addition, the Chair provides leadership to OCGC.

### **Board of Directors**

The OCGC Board of Directors (the “Board”) is appointed by the Lieutenant Governor in Council and is accountable to the Minister through the Chair. The Board performs a supervisory role, overseeing the management of OCGC’s business and affairs to ensure OCGC’s mandate is fulfilled. The Board is comprised of both public servants employed by the Crown and independent directors.

The Board meets at least quarterly and receives regular reports from the President and Chief Executive Officer and OCGC staff concerning OCGC’s operations and its compliance with applicable laws and policies. Standards of conduct for OCGC Board members are set out in the Board-approved Code of Conduct.

There are also two committees of the Board to assist it in supervising the management of OCGC:

### **Audit and Risk Committee**

The Audit and Risk Committee reviews and recommends approval by the Board of an annual internal audit plan and receives reports from OCGC’s internal auditors and Auditor of Record regarding internal controls and financial reporting. It also reviews financial policies and financial statements and recommends them to the Board. Another function of the Audit and Risk Committee is to review OCGC’s major risks and mitigation strategies.

## **Governance and Human Resources Committee**

The Governance and Human Resources Committee assists the Board in (1) matters related to OCGC governance structures and practices and (2) reviewing human resources programs and practices of OCGC related to compensation, performance evaluation, and training.

## **President and Chief Executive Officer**

Under the *Ontario Capital Growth Corporation Act, 2008* (the “Act”), the President and Chief Executive Officer (the “CEO”) is employed under Part III of the *Public Service of Ontario Act, 2006* (“PSOA”) and is appointed by the Board. The CEO is accountable to the Board for:

- Managing and administering OCGC;
- Supervising OCGC staff; and
- Carrying out the roles and responsibilities assigned by the Board, the Act and applicable government directives.

The CEO works under the direction of the Chair and the Board to implement policy and operational decisions. The CEO reports OCGC’s performance results to the Board, directly or through the Chair.

## **Employees**

All employees of OCGC are civil servants employed under Part III of the PSOA. OCGC’s business operations are carried out by staff under the supervision of the CEO.

**Appendix C: Organizational Chart**

**Ontario Capital Growth Corporation  
Organizational Chart**

